ABSTRACT

ESSENCE AND IMPLEMENTATION OF ENTERPRISE RESOURCE PLANNING IN TEXTILE INDUSTRY: CRITICAL SUCCESS FACTOR

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The ERP system is a computer-based system designed for process transactions within the organization and facilitates integration, and planning, production, and responding to customers in real-time (O'leary, 2001). One of the objectives of the ERP system is the automation and integration of corporate business processes. However, in practice, not all companies implementing ERP systems succeed in their implementation process, there are many companies that fail to implement the ERP system, as disclosed by Standish Group stating that only 10 percent of companies are successfully implementing ERP, 35 percent of projects canceled and 55 percent experienced delays (Suroso, 2013).

Based on these problems, with qualitative research methods based on data collection using interviews and observations, the purpose of this paper is to analyze and conclude critical success factors of ERP implementation in textile industry, formulates why companies in textile industry want to implement ERP, and identifying the essence of ERP implementation in the company of textile industry. Based on the results of the research, it can be concluded that the critical success factors in implementing ERP in the textile industry is the suitability between system with business process, suitability of system customization with business needs, and communication media used by consultants for the introduction of new systems to users.

Keywords: Enterprise Resource Planning, ERP in textile industry, essence of ERP, critical success factors of ERP implementation, implementation of ERP